

UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE

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Some Practical Suggestions concerning Compensation

(Working paper prepared by the Secretariat)

1. Once the total value of Arab property abandoned in Israel has been established, the maximum amount that Israel would have to pay will be set. On the basis of this figure an immediate contribution of a certain percentage would be requested of Israel. Furthermore, a promise to pay compensation out of the remaining amount as the necessary conditions are fulfilled should be secured from Israel.

2. Upon the submission of Israel's first project for the repatriation of, say, 20,000 refugees (see W/55), Israel will undertake to provide those who would return with new land not less in total value than the aggregate value of the land owned by these refugees in other parts of Israel, and with installations and implements not less in total value than the estimate of aggregate value of such installations and implements previously possessed by them. The land and installations will be divided by families and each lot will be charged with a debt equal to its total value. The questionnaire-applications submitted by the refugees will contain statements of their compensation claims which will enable Israel to select those to be permitted to return, with a view to facilitating the payment of compensation. In signing the application, each returning refugee will undertake to accept payment of compensation in kind up to the value of the land and implements to be issued to him in accordance with the plan.

3. After furnishing proof of its right to compensation and when the amount has been fixed, each family shall be credited with that amount. If the value of compensation exceeds or is equal to the value of the land and implements received, the family's debt to the State of Israel shall be cancelled and it will hold the land free. Any excess of credit will be paid to the family in Government bonds. If the value of a family's compensation is less than the value of the land and implements received, the family will remain in debt to the State of Israel to the extent of the difference. This shall be a long-term, low-interest debt on the pattern of loans made to Jewish immigrants.

4. If the returning refugee is an artisan or a member of the liberal professions and is entitled to compensation for immovable property in Israel which he is unable to reacquire, either because of the Absentee Property Act or because it is physically occupied or destroyed, he shall receive a long-term loan permitting him to establish himself anew. Upon approval of his compensation claim its value will be subtracted from his debt, and if it exceeds the total value of the debt he shall receive the surplus in the form of Government bonds.

5. Upon the submission of a specific project by any Arab Government for the resettlement of a certain number of refugees in its territory and its approval by UNRWA, it will be possible to break down the available funds (in money or in kind) into three distinct categories: (a) the land etc. to be ceded by the Arab Government in question, (b) the sum to be allotted by UNRWA, and (c) the compensation to be paid by Israel.

For instance, if Jordan decides to resettle ten thousand refugees on State domain land in the Mafrak area, the Government

of Jordan shall in the first place contribute the use of the land (and possibly a certain amount in local currency for non-refugee labour and transportation). UNRWA will provide the funds for the necessary improvements to the land, for materials, for the cost of refugee labour (over and above relief) and for the necessary implements.

The land to be resettled would then be divided into equal lots for each family and the debt-credit procedure will be the same as in the case of Israel, with the difference that the Government of Jordan would be the debtor and the creditor.

From the applications of the 10,000 refugees selected for this project it will be possible to establish an estimate of the property abandoned by them in Israel and consequently a rough idea of what Israel would have to pay in compensation. The Government of Israel would undertake to pay back the Government of Jordan, upon receipt of proof of ownership of land by the resettled refugees.

6. As regards refugees entitled to compensation who would choose to receive their compensation otherwise than in kind, the procedure would be the same as for those whose compensation value exceeded the value of the land etc. they would receive - i.e., they would receive Government bonds issued against a long-term compulsory loan to be used for the resettlement of refugees (including refugees not entitled to compensation), the interest of this loan to be paid by taxes on resettled land and the principle to be made good in the long run by Israel in the form of compensation for property abandoned within its borders.

7. The obvious advantages of the above outlined system are that:

(a) the refugees would receive the benefits of compensation without awaiting the lengthy disentanglement of claims;

(b) it would assist and encourage resettlement and reintegration;

(c) it would give the refugees the right to choose how they wish to have their compensation paid, i.e. in money or in kind;

(d) it would avoid entangling the United Nations in direct dealings with the refugees, and would place that function in the hands of the governments concerned;

(e) it would create a technical field of contact between Israel and her Arab neighbours;

(f) it would give Israel time to pay the very considerable sums involved and an incentive to do so equitably

(g) no-one would lose anything: Israel would pay for the property that she has acquired; the refugees would receive the equivalent of the value of their previous property and the Arab States would receive payment for land which has been lying fallow, as well as the economic and fiscal benefits of resumed activity;

(h) The UNRWA could make its reintegration fund go much further than it could hope at present.

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